

Chapter 30 – Fixed Assets

30.40 Fixed Asset Inventory Records Policy

30.40.10	Which assets need to be inventoried or cataloged?	July 1, 2004
30.40.20	Small and attractive assets	July 1, 2004
30.40.30	Inventory records requirements	July 1, 2004
30.40.40	Adding Fixed Assets to the inventory	July 1, 2004
30.40.45	Removing Fixed Assets from the inventory	July 1, 2004
30.40.80	Lost or stolen property	July 1, 2004

30.40

Fixed Asset Inventory Records Policy

30.40.10 Which assets need to be inventoried or cataloged?

The following assets are inventorial assets and must be carried on the property records of an department (Asset Type):

- All assets meeting the State’s capitalization policy (refer to Subsection 30.20.20),
- Assets with a unit cost (including ancillary costs) less than \$5,000 identified as small and attractive assets (refer to Subsection 30.40.20 below),
- Collections of Historical Treasures, Works of Art, Library Books, and other similar assets that meet the criteria in Subsection 30.20.22 , are required to be controlled by means of a perpetual inventory or a recognized cataloging system,
- Trust lands are to be accounted for by the administering department.

30.40.20 Small and attractive assets

Each department should perform a risk assessment (both financial and operational) on the department’s assets to identify those assets that are particularly at risk or vulnerable to loss. Assets so identified, that fall below the State’s capitalization policy, are considered small and attractive assets. Each department should develop written internal policies for controlling small and attractive assets.

The department should implement specific measures to control small and attractive assets in order to minimize identified risks. Periodically, the department should perform a follow-up risk assessment to determine if the additional controls implemented are effective in managing the identified risks.

The departments may use Advantage to track their small and attractive assets by setting up the asset as a Memo Asset. When the fixed asset is entered via the FA document, the Memo Asset is specified by clicking in the Memo Asset checkbox, in the Header line. Memo Assets must meet the commodity asset threshold (COMMFA), but not the capitalization threshold (FACC). Memo Assets are not depreciated. And the accounting lines do not post.

Departments must include as small and attractive assets all items in the commodity code 68052 – Weapons, Firearms, Signal Guns & Accessories. Otherwise, departments have discretion in setting their definition of small and attractive assets. However, absent a risk assessment and development of written policies for identifying and controlling small and attractive assets, we recommend that departments include the following assets with unit costs of \$300 or more as small and attractive:

- Communications Equipment, Public Safety: Audio and Video;
- Optical Devices, Binoculars, Telescopes, Infrared Viewers, and Rangefinders;
- Cameras and Photographic Projection Equipment;
- Personal Computers (**purchased by agency other than OIT, on or before June 2007**);
- Other IT Equipment (Scanners, monitors, printers, fax machines, etc.);
- Office Equipment;
- Radios, Televisions, Tape Recorders, VCRs, and Video Cameras.
- Cell Phones, PDA, GPS devices, etc.

30.40.30 Inventory records requirements

Departments are to maintain Fixed Asset inventory systems that include records for all inventorial assets.

Departments are to use the Advantage Fixed Asset Sub System for all assets that meet the State’s capitalization policy. Departments may use an alternate in-house system for local analysis and tracking; however, the official asset record is the Advantage Accounting System.

For assets defined as small and attractive, departments may use Advantage (Memo Assets) which will include a more flexible fixed asset module for controllable property.

Department Name and Code Number - The department name and three digit code number.

Account - For proprietary and trust fund type accounts, this is the account in which the asset is being used. This may or may not be the original purchasing account.

For governmental fund type accounts, this is the account that originally purchased the asset.

For those assets acquired prior to July 1, 1982, for which an account cannot be identified or is no longer in existence, such assets are to be identified as assets of the General Fund.

Acquisition Date - The date the department takes title to, or assumes responsibility for, an asset.

Cost - The total cost (value) assigned to the asset. Refer to Subsection 30.20.10 for clarification.

Depreciation - The portion of the cost of a Fixed Asset representing the expiration in the service life of the asset attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and/or obsolescence which is charged systematically over the useful life of the Fixed asset. Refer to Subsection 30.20.70. This element is not applicable to small and attractive assets.

Description - Name of the asset.

Disposal Authorization - When required, the Bureau of General Services must grant a department the authority to dispose of an asset or as provided by specific statutory authority.

Inventory Control Number - The control number inscribed on, or contained on the inventory tag attached or referring to, an asset.

Location Code - The identification code of the county in which the asset is located.

Salvage Value - The estimated portion of a Fixed Asset's cost that is recovered at the end of its service life less any disposal costs. This element is not applicable to small and attractive assets.

Useful Life - The estimated useful life of the Fixed Asset in years. This element is not applicable to small and attractive assets.

30.40.40

Adding Fixed Assets to the inventory

Upon receipt and acceptance of a Fixed Asset, the department property officer is responsible for supervising the addition of the asset to the inventory system. This includes assigning tagging responsibilities to specific individuals as well as developing and implementing procedures to ensure that the necessary information is entered into the department's Fixed Asset inventory system.

30.40.45 Removing Fixed Assets from the inventory

Departments are to adopt internal policies and procedures consistent with those promulgated by the Office of the State Controller and the Bureau of General Services regarding the timely removal of Fixed Assets from inventory, including procedures for the proper approval of disposal requests.

Fixed Assets are to be removed from active inventory based on the completion of a Property Disposal Request.

Departments are to maintain records of Fixed Asset dispositions in accordance with approved department records retention schedules.

When disposing and removing Fixed assets from inventory, departments are to follow policies and guidelines issued by the Office of the State Controller and the Bureau of General Services, or other specific statutory guidance.

30.40.80 Lost or stolen property

When suspected or known losses of inventorial assets occur, departments should conduct a search for the missing property. The search should include transfers to other divisions or departments, storage, scrapping, conversion to another asset, etc. If the missing property is not found:

- Follow the loss procedures in Section 20.30.
- Have the individual deemed to be primarily responsible for the asset, as well as that individual's supervisor, complete and sign a Property Disposal Request. Include on the Request a description of events surrounding the disappearance of the property, whom was notified of the loss, and steps taken to locate the property. Remove the lost or stolen property from the department's inventory and accounting records where applicable.

Maintain records for losses of inventorial assets in accordance with approved department records retention schedules.